

PART 4

CONCESSION SPECIFICATIONS

WASHINGTON STATE FERRIES

FOOD, BEVERAGE AND RETAIL

CONCESSION CONTRACTS

CONCESSION SPECIFICATIONS

The following are the Concession Specifications for Washington State Ferries, a division of the Washington State Department Of Transportation (hereinafter called "WSF") proposed Food, Beverage and Retail Service Concession Contracts (hereinafter called "Contracts"). For details on the required content for a proposal, all proposers should refer to Part 7, Proposal Requirements, of the project Request for Proposals ("RFP").

A. GENERAL INFORMATION

To simplify the RFP process for proposers and ensure that WSF selects the most qualified operators in each concession segment area, the RFP concession services are subdivided into seven (7) segments. Each segment has a specific work scope and specific business terms that are detailed on the following pages.

<u>Segment</u>	<u>Scope</u>
1.	Food, beverage and retail services on-board WSF vessels (On-board Food, Beverage & Retail)
2.	Food and beverage services at WSF terminals and adjacent holding areas (On-shore Food & Beverage)
3.	News, books and convenience stores at WSF terminals (NBC Store)
4.	Fast food locations at WSF terminals (Fast Food)
5.	Cold beverage vending machines on-board WSF vessels and at WSF terminals (Cold Beverage Vending)
6.	Hot beverage and snack vending machines on-board WSF vessels and at WSF terminals (Hot Beverage & Snack Vending)
7.	Game vending machines on-board WSF vessels and at WSF terminals (Game Vending)

1
2 It is important that all proposers understand that the RFP and resultant Contracts
3 represent WSF's minimum requirements and service format. The Concessionaire
4 must adhere to the major goals, and any methodology or process for achieving these
5 goals established in the RFP and the Contracts. However, it is equally important all
6 proposers understand that the creative ideas expressed by proposers are highly valued
7 and will be assessed throughout the proposal evaluation process. RFP adjustments
8 that may be necessary as a result of innovative ideas, concepts and proposals that go
9 beyond the minimum requirements of the RFP may be included as addendums to the
10 RFP to all proposers and will help define the final strategic and business direction of
11 Food, Beverage & Retail Concessions at WSF for the next decade.
12

13 While WSF is planning a guided tour of some vessels and terminal concession
14 operations, WSF encourages proposers to visit all of the vessels and terminals on their
15 own time and at their own expense. However, please do not attempt to access non-
16 public areas, disrupt operations, or keep food service workers from performing their
17 duties. Because of heightened security, WSF asks that you contact Sodexo
18 Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF
19 vessel. WSF also asks that you contact WSF Business Development Manager, Brian
20 Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps
21 to alert their co-workers as to your presence and in turn make your visit less intrusive
22 and probably more productive.
23
24

25 **B. EXCLUSIONS**

- 26
27 1. WSF retains the right to enter into a preferred supplier arrangement with a
28 cold beverage supplier. This agreement is being contemplated and negotiated,
29 but final determination to proceed has not been reached.
30

31 If a preferred supplier agreement with a cold beverage supplier will impact a
32 proposal, the proposer should submit sufficient data to justify their position
33 and demonstrate the positive and/or negative impact a preferred supplier
34 arrangement will have on their proposal.
35

- 36 2. WSF may enter into Corporate Sponsorship Agreements to support WSF
37 programs. Throughout the term of this Agreement, the Concessionaire shall
38 not enter into any "exclusive" agreements with subcontractors or suppliers
39 that might conflict with WSF Corporate Sponsorship Agreements.
40 Concessionaire agrees to reasonably cooperate with WSF in offering for sale
41 products of WSF corporate sponsors.
42

43 If a Corporate Sponsorship Agreement will impact a proposal, the proposer
44 should submit sufficient data to justify their position and demonstrate the
45 positive and/or negative impact a Corporate Sponsorship Agreement will have
46 on their proposal.
47

1
2 **C. GENERAL SERVICE REQUIREMENTS**
3

- 4 1. Deviation from the proposal, in any manner, shall be permitted only with the express
5 written consent of WSF.
6
- 7 2. The Concessionaire must obtain WSF's agreement in writing for any capital
8 improvements or modifications of the concession facilities (including the addition or
9 removal of equipment, fixtures and furnishings) prior to any modification or
10 renovation of the Concession Premises. Concessionaire is solely responsible for all
11 damages, direct and consequential, resulting from the Concessionaire's failure to
12 obtain such approval.
13
- 14 3. The Concessionaire must obtain WSF's agreement in writing for the Concessionaire's
15 proposed food/beverage menu, general merchandise, vending and game machines,
16 other miscellaneous products and services, customer prices and product quality, for
17 all concession services, prior to commencement of operations and throughout the
18 term of these Contracts.
19
- 20 4. The Concessionaire must adhere to WSF's street pricing policy. Concessionaire and
21 WSF will jointly select three (3) business sites providing comparable products and
22 services for each segment awarded Concessionaire. After the initial pricing approval,
23 WSF may review such products, services, prices, quality, etc. then in effect and if
24 they do not fall within the range of the comparable business sites, WSF will require
25 adjustments.
26
- 27 5. The Concessionaire must ensure that deliveries to and from the Concession Premises
28 are done in a manner and at times that will minimize interference with WSF vessel
29 and terminal operations. The Concessionaire shall ensure that delivery vehicles do
30 not park at terminals longer than the actual time required for pick-up and delivery.
31
- 32 6. The Concessionaire must comply with: (i) all federal, state and local statutes,
33 ordinances, regulations and rules pertaining to the Concessionaire's operations
34 hereunder; and (ii) all proper orders of authorized federal, state and/or municipal
35 officers.
36
- 37 7. WSF requires the Concessionaire be sensitive to the environment by using use paper
38 cups (no Styrofoam) for hot and cold beverage service. A WSF logo on the cups is
39 preferred. Beer and wine cups must be visually distinguishable from other cups.
40 Additionally, WSF reserves the right to reject items it feels are inappropriate.
41
- 42 8. The Concessionaire must coordinate with WSF regarding: (i) concession operational
43 requirements; (ii) contract compliance; and (iii) other administrative requirements, as
44 needed, to ensure smooth operation of the concession services and avoid any potential
45 conflict with WSF terminal or vessel operations.
46

1 9. Safety and security are a primary concern on WSF vessels, at its terminals and in the
2 vehicle holding areas. With the increased emphasis being placed on security by our
3 nation, WSF has established safety and security procedures and expects that security
4 measures and attendant procedures in particular will change over the Term of these
5 Contracts. These changes may affect the Concessionaire's operations and employees.
6 WSF will make reasonable efforts to minimize negative business impacts to the
7 Concessionaire when possible. Some specific considerations include:

- 8
- 9 a. While not considered part of the required manning, or crew, for the vessel to
10 safely operate, concessionaire employees are included in WSF's safety and
11 security planning and are expected to perform certain safety and/or security
12 functions.
- 13
- 14 b. Concessionaire workers are required to receive WSF provided training
15 regarding on-board emergencies. They are included on the Muster List for
16 emergencies at an assistance level and, for example, receive training in
17 fighting fires, crowd control and aiding passengers in evacuations.
18 Concessionaire employees are included in the WSF Safety Management
19 System (SMS), which documents practices and procedures used for on-board
20 safety and compliance with international and domestic vessel safety
21 regulations.
- 22
- 23 c. The heightened security of today requires ongoing training of all WSF vessel
24 employees, including contract personnel who frequently sail with the vessel,
25 to maintain a vigilant effort in identifying and mitigating security risks.
26 Concessionaire employees will be included in such training. While the
27 training will be developed and provided by WSF at no cost to the
28 Concessionaire or its employees, the labor, travel, and other costs of
29 attending the training will be at the Concessionaire's expense.
- 30
- 31 d. WSF training is meant to augment, not supplant, the Concessionaires own
32 efforts in training and maintaining proper safety and emergency procedures
33 for its workers.
- 34
- 35

36 **D. LEASEHOLD EXCISE TAX**

37

38 The Leasehold Excise Tax payable by the Concessionaire under the existing Food
39 Service Concession Contract is \$3,004.56 per month. The Leasehold Excise Tax
40 payable by the Concessionaire under the existing Colman Dock Restaurant Lease is
41 \$427.46 per month. The amounts were established a number of years ago in letter
42 agreements between WSF and the Washington State Department of Revenue.

43

44 WSF has been in discussion with the Department of Revenue to update the letter
45 agreements to adjust for inflation and the revised scope of the vessel Concession
46 Premises (e.g., no passenger-only galleys; surplus of M.V. Olympic and the new

1 Jumbo Mark II Class vessels). WSF will use reasonable efforts to secure updated
2 letter agreements with the Department of Revenue for all of the concession service
3 segments herein, with an intent to utilize the same tax formula as currently in effect.
4 However, WSF is under no obligation to maintain such Tax agreements. Further,
5 WSF assumes no liability to the new Concessionaire if such tax amounts are
6 increased in updated letter agreements, or if WSF is unable to secure such agreements
7 for any reason whatsoever.
8

9 If an agreement is reached with the Department of Revenue to either use the existing
10 letter agreements or a new letter agreement, the negotiate tax amount will be prorated
11 among all Concessionaires based on the space used by each Concessionaire. Should
12 WSF, with either the assistance of the Legislature or the Department of Revenue,
13 successfully reduce or eliminate the Leasehold Excise Tax, the Concessionaires and
14 WSF shall equally share such savings.
15

16 17 **E. INSURANCE**

18
19 WSF's Master Marine Insurance Policy includes an Endorsement No. 7 which states:
20 "It is agreed and understood that a waiver of subrogation against Sodexho America
21 LLC is included in this policy, but only as respects the Food Service Concession
22 Contract for the Washington State Ferries."
23

24 It is WSF's desire to maintain such Endorsement for the Concessionaire selected for
25 the On-board Food and Beverage services pursuant to this RFP. However, WSF is
26 under no obligation to maintain such Endorsement, and assumes no liability to the
27 Concessionaire if WSF is precluded from securing such coverage, at no additional
28 cost, for any reason whatsoever.
29

30 31 **F. MINORITY AND** 32 **WOMEN'S BUSINESS ENTERPRISES**

33 34 **MBE and WBE Goals**

35 All of the Concession Contracts will have voluntary Minority Business Enterprise
36 (MBE) and Women's Business Enterprise (WBE) goals for the purchase of products,
37 supplies and/or services. WSF shall monitor the Concessionaires' good faith effort to
38 achieve such goals during the term of the Contracts. For further details, please see
39 the respective RFP Contracts.

Segment 1 - ON-BOARD FOOD, BEVERAGE & RETAIL

A. BACKGROUND

WSF includes a variety of vessel types, route lengths and traffic flow. It is suggested that proposers consider food, beverage and retail concepts based on those considerations. WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. Please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexho Manager, Ali Kazemini at 206.682.5990 extension #13 prior to visiting a vessel. Mr. Kazemini will take steps to alert vessel personnel as to your planned presence and in turn make your visit less intrusive and probably more productive. .

On-board services can and should be tailored to the vessel type, specific route, and ridership. For example, the largest vessels (Jumbo Mark II Class), which are dedicated to the busiest runs, could have four (4) or more concession concepts, while the smaller vessels that are generally assigned to smaller and/or shorter runs may only have one (1) concession concept.

RFP Volume 3 contains exhibits with information on concession revenue by vessel, and passenger volumes by route. The data should aid in developing a planned scale of operations.

B. EXCLUSIONS

1. There is an existing concession contract with a concessionaire providing on-board duty free shopping on the Sidney B.C. routes. The duty free concession service is specifically excluded from the scope of the On-board Food, Beverage & Retail Service Concession Contract.
2. On-board "Retail" concession services are defined as the same or similar products as described in Segment 3, News, Books, and Convenience Stores, Use of Premises. WSF reserves the right to expand on-board retail concessions in other goods or services with the Concessionaire or other concessionaires selected on a competitive basis.

1
2 **C. GENERAL REQUIREMENTS**
3

4 The General Requirements for the On-board Food, Beverage & Retail Concession
5 Contract include those contained in the General Service Requirements for all service
6 segments plus:
7

- 8 1. Concessionaire must develop long-term plans for updating and/or enhancing
9 the condition of the vessel galley and dining areas. This could be through
10 equipment replacement and/or remodeling that provides a strong foundation
11 for the retail concepts being proposed and increased passenger amenities in
12 general.
13
14 2. Concessionaire is encouraged to develop on-board food and non-food
15 offerings that provide a balance of local and national brands, and featuring
16 local businesses, brands and products whenever possible.
17
18 3. Concessionaire must present a plan to accept credit and debit card
19 transactions.
20
21 4. Concessionaire is encouraged to engage, sub-contract, franchise, or license
22 to/from other businesses to provide a variety of services, concepts and local
23 involvement under its Contract.
24
25 5. Emphasis should be placed on providing exceptional customer service
26 combined with the goal of achieving business success. Proposers should tailor
27 concession concepts, capital investments, and staffing levels to meet varying
28 business needs and hours of service.
29
30 6. Concessionaire employees working on-board vessels are required to obtain a
31 permit known as a "Z card". They are available through the local U.S. Coast
32 Guard office.
33
34

35 **D. DESCRIPTION OF PREMISES**
36

- 37 1. The concession premises include galley and dining areas on twenty (23)
38 vessels. Vessel layouts are included in RFP Volume 3, Exhibits.
39
40 2. Warehouse space at the Anacortes and Seattle Terminals.
41 a. Seattle – Dry 1,250 sq. ft., Refrigerated 325 sq. ft.
42 b. Anacortes – Dry 550 sq. ft., Refrigerated 230 sq. ft.
43
44 Additional warehouse space, if needed, will be the financial responsibility
45 of the Concessionaire.
46

- 1 3. On-dock parking is available at Colman Dock – Pier 52 for a maximum of two
2 (2) route service vehicles.
3
4 4. No on-site office space is available at Colman Dock - Pier 52. WSF is
5 examining the potential for alternate office space on WSF premises, but none
6 is available at this time. Office space may be available in one or more
7 commercial buildings immediately east of Colman Dock-Pier 52. All off-site
8 office space will be the financial responsibility of the Concessionaire.
9

10
11 **E. USE OF PREMISES**
12

13 The galley, its storage areas and dining area may be used to offer food, beverage and
14 retail concepts the proposers believe are appropriate to maximize services to the
15 commuter and tourist customers on-board WSF vessels. These may include but are
16 not limited to:

- 17 • Coffee or espresso bar, beer, wine, hamburgers, seafood, deli, ice cream bar,
18 juice bar, soda fountain, pretzels, hot dogs, Mexican food, Asian food, pizza,
19 or any other use appropriate for quick serve. Coffee, beer and wine should be
20 Northwest brands.
21
22 • A variety of newspapers, magazines and periodicals; a selection of sundry
23 items appealing to both commuter and tourist travelers; packaged snacks and
24 candies; hot coffee, bottled water and other bottled drinks; a selection of
25 popular over the counter medicines; a selection of souvenir items including
26 WSF branded shirts, caps, mugs, and other items appealing to tourists.
27
28

29 **F. CAPITAL REQUIREMENTS**
30

31 In coordination with WSF's Vessel Engineering and Vessel Maintenance
32 Departments the Concessionaire shall contract for the installation of capital
33 improvements to the vessel concession premises during the term of the Contract.
34 Concession facility improvements may include, but are not limited to, kitchen
35 equipment, light fixtures, furniture, display units, service equipment and fixtures, and
36 decor fixtures. All of these improvements must be approved by WSF prior to
37 installation. All permanent improvements shall become WSF property. All other
38 non-capital trade fixtures (e.g., utensils, and decor items) shall remain the
39 Concessionaire's property.
40

41 The proposer must include a capital investment plan with its proposal. The Capital
42 Investment Plan shall clearly define the purpose of the capital investment, the timing
43 of the investment, and the amount of the investment to be paid by the proposer and
44 the amount to be funded by WSF. For the capital improvements that WSF agrees to
45 fund, the Concessionaire must establish an internal fund to finance such
46 improvements until the principal amount of the WSF investment can be incrementally

credited against (deducted from) the Concession Fees payable to WSF. However, such credits / deductions may not exceed the monthly Concession Fee in any particular month. (See the RFP On-Board Food, Beverage & Retail Service Concession Contract for details.) Please note that the proposer's contribution to the Capital Investment Plan may not be credited against (deducted from) the monthly Concession Fees payable to WSF.

The Concessionaire is responsible for providing its own cash register system capable of processing credit and debit card transactions. This expense will not be reimbursed by WSF.

G. CONCESSION FEE

The minimum monthly Concession Fee for On-board Food, Beverage & Retail, for all sales categories, shall be the greater of eleven percent (11%) of gross sales, excluding sales tax, or \$72,000 for the months of October -- April and \$110,000 for the months of May -- September. Effective at the beginning of year three of the Contract Term, the minimum monthly Concession Fee shall be the greater of eleven percent (11%) of gross sales, excluding sales tax, or eighty percent (80%) of the average monthly Concession Fees for the same periods of the two (2) previous years. Proposers may offer a higher percentage of gross sales, to be considered during the proposal evaluation process.

For details of the Concession Fee terms, please see RFP Part 7, Proposal Requirements.

H. CONTRACT TERM

The Concession Contract term shall be for a period of approximately ten years, commencing on January 1, 2004 and expiring on January 3, 2014.

I. CONTRACT SECURITY

Selected proposers will be required to provide Contract Security in the form of an Irrevocable Letter of Credit or a Performance Bond at the time of Contract execution. The required Contract Security will be \$500,000 (an amount approximately equal to 100% of the projected Concession Fee for the first three months of operation).

J. OPERATIONAL REQUIREMENTS

1. Proposers should propose concession operating hours that maximize service to WSF customers within a sound, financially viable service plan. On a route-by-route basis, such concession operating hours may be less than the full

vessel operating hours, if deemed necessary to make the concession service financially viable. The WSF vessel operating schedules, by season, are posted on the WSF public web site and operating hours of the current concessionaire are provided in RFP, Volume 3, Exhibits.

2. The Concessionaire will be required to install its own cash register system equipped to accept credit and debit card payments.
3. The Concessionaire is responsible for galley and dining area equipment maintenance. WSF will provide the equipment in good working order at the commencement of the Concession Contract. On-going maintenance and maintenance contracts will be the responsibility of the Concessionaire.
4. All installed galley and dining area equipment currently on board the vessels is owned by WSF and will be available for use by the Concessionaire. Utensils (smallware) and the video cameras on board the Jumbo Mark II vessels belong to the current concessionaire.
5. All modifications to current equipment, repairs, and capital improvements must be approved and phased by WSF to coincide with ferry schedules. Making changes to the vessel galley and dining areas is costly, time sensitive and more complex than on land. Engineering studies for vessel modification must be performed prior to vessel modification. Changes in On-board galley and dining areas are stringently controlled. The Food and Drug Administration publishes the **Handbook on Sanitation of Vessel Construction**, which may be helpful in gaining an understanding of the environment.
6. Scheduling vessel concession area remodeling will be a challenge to the Concessionaire. Vessels are scheduled for significant maintenance projects several years in advance, and that is the only extended lay-up time for most vessels. The current schedule for the 2003 – 2005 Biennium is included in RFP Volume 3, Exhibits. Significant remodeling may require a long time frame to accomplish. A pragmatic approach for those vessels not scheduled for extended maintenance might be designing the remodel work into small projects that can be incorporated during overnight tie-up or other times during which the vessel is not in service. WSF is committed to adapting to changes that can make both the Concessionaire and WSF more successful.
7. Food and non-food products must be first quality and meet all Health Department regulations. WSF anticipates employing a mystery shopper program to help monitor the quality of products and services.

Segment 2 – ON-SHORE FOOD & BEVERAGE

A. BACKGROUND

WSF owns or leases twenty (20) terminals serving nine (9) groups of route segments. Each group of route segments has unique characteristics for terminal size and layout, concession facilities, vessel class assignments, commuter and tourist traffic, commercial traffic, seasonality, and overall ridership. It is suggested that proposers consider food and beverage concepts based on these considerations. On-shore services can and should be tailored to the terminal, route, and ridership.

While WSF is planning a guided tour of some vessels and terminal concession operations, WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. However, please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexo Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF vessel. WSF also asks that you contact WSF Business Development Manager, Brian Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps to alert their co-workers as to your presence and in turn make your visit less intrusive and probably more productive.

RFP Volume 3, Exhibits of the RFP contains information on concession revenue by terminal and vessel, and passenger volumes by route. The data should aid in developing a planned scale of operations.

Please note that under the existing Food Service Concession Contract with Sodexo Corporate Services, only the Seattle and Anacortes Ferry Terminals have operating facilities for on-shore food, beverage and gift sales. There are no other currently operating concession facilities at the other ferry terminals, except as noted below.

B. GENERAL REQUIREMENTS

The General Requirements for the On-shore Food, Beverage & Retail Concession Contract include those contained in the General Service Requirements for all service segments plus:

1. Rights to operate WSF's existing coffee and espresso bar at the Seattle Ferry Terminal (Colman Dock – Pier 52) and snack bar at the Anacortes Ferry Terminal.
2. Rights to develop and operate new food and beverage facilities at other WSF terminals subject to agreement by WSF.

3. Rights to provide food and beverage services within vehicle holding areas and waiting lines at WSF terminals subject to agreement by WSF.
4. Rights to develop sub-contract relationships with local and seasonal businesses to assist in offering enhanced customer services subject to agreement by WSF.
5. Concessionaire is encouraged to develop on-shore food and beverage offerings that provide a balance of local and national brands, and featuring local businesses, brands and products whenever possible.
6. Concessionaire is encouraged to engage, sub-contract, franchise, or license to/from other businesses to provide a variety of services, concepts and local involvement under its Contract.
7. Concessionaire must accept credit and debit card transactions.
8. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor concession concepts, capital investments, and staffing levels to meet varying business needs and hours of service.
9. All facilities must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.

C. DESCRIPTION OF PREMISES

1. COLMAN DOCK

The Seattle Ferry Terminal at Colman Dock is located on the central Seattle waterfront at Pier 50 and Pier 52. It services the Bainbridge Island and Bremerton vehicle ferries and the Vashon Island passenger-only ferries. In 2002, approximately 9,600,000 passengers used this Terminal.

Vashon Island passenger-only ferry service is funded to operate through June 2005. The future of passenger-only service between Vashon Island and Seattle is unknown.

Kitsap Transit is proposing a passenger-only service to operate from Bremerton, Kingston, and Southworth to Seattle. The Kitsap Transit website is a source for additional information. The service requires Kitsap County voter approval of a supporting tax package in November 2003. If the service begins operation it may have an impact on WSF ridership to and from these locations.

1
2 WSF is studying the feasibility of routing some Southworth and/or Vashon
3 ferry service to Colman Dock rather than the Fauntleroy Ferry Terminal. The
4 timing for completion of the study and whether any change will be
5 implemented is unknown.
6

7 There is an existing terminal building at Colman Dock, which currently
8 houses offices and minimal concession facilities including a 500 square foot
9 coffee and espresso bar on the passenger deck level (Starbuck's) and a fast
10 food facility at street level (McDonald's).
11

12 The terminal building at Colman Dock is scheduled for a renovation in 2004
13 that will include a significant retail expansion. This renovation will also
14 include the addition of kiosks or carts at the vehicle queuing areas. The
15 selected Concessionaire will be expected to develop food and beverage
16 concessions at Colman Dock as shown on the development plans included in
17 RFP Volume 3, Exhibits. The development of stand-alone Fast Food and
18 News, Books & Convenience concessions are excluded from the On-shore
19 Food and Beverage segment.
20

21 The Colman Dock facility is scheduled for replacement within the next ten
22 (10) years. Currently, construction is planned to start during the 2007-2009
23 Biennium with completion scheduled during the 2011-2013 Biennium. The
24 planning is in a preliminary stage and these dates represent the earliest start
25 and completion dates for a complex project with significant regulatory and
26 environmental requirements.
27

28 During construction, the Terminal will not close but there may be disruptions.
29 WSF will make reasonable efforts to keep concessions in operation during the
30 construction period, minimize negative business impacts on the selected
31 Concessionaire when reasonably possible, and provide comparable locations
32 in the new facility when construction is completed. In the event that WSF
33 determines the Concession Contract must be terminated to allow for the
34 construction activity, the Concessionaire will be reimbursed for the
35 unamortized asset value of agreed initial capital improvements (i.e.,
36 constructed or installed during first Contract year), amortized on a straight-
37 line basis over the full Contract term.
38

39 The Alaska Way Viaduct, an elevated highway, borders the Terminal to the
40 east. The Viaduct is slated for replacement to begin within the period of this
41 Contract. This is a very complex project in the early stages of planning and
42 with many uncertainties. Colman Dock, Pier 52, will remain in operation
43 throughout any construction period but the surrounding area could be subject
44 to construction zone conditions.
45

Current and Future Concession Facilities at Colman Dock include:

Existing Coffee Shop

- Approximately 500 square feet
- Located on the passenger deck level

Future Food & Beverage Space

- Six (6) food and beverage locations
- Range from 400 to 835 square feet
- Total approximately 3,300 square feet
- Located on the passenger deck level

Future Kiosk Locations

- Six (6) kiosk locations
- Approximately 250 square feet each
- Located in the vehicle holding and queuing areas
- Three (3) on the north side of the Terminal (also with street access)
- Three (3) on the south side of the Terminal
- Each location will be sheltered, and WSF will provide electrical power and lighting.

Future Storage

- Approximately 1,000 square feet
- Located in separate building in vehicle holding area
- Suitable for dry storage only

Other

- No on-dock parking is available
- No on-site office space is available

For diagrams and drawings of the Concession Premises, please see RFP Volume 3, Exhibits.

2. ANACORTES

The Anacortes Ferry Terminal is located north of Seattle in Island County. The Terminal services the ferry routes to Lopez Island, Orcas Island, Shaw Island, Friday Harbor and Sidney B. C. The Anacortes Terminal includes a snack bar and gift shop that operate seasonally during the summer tourist season, and on weekends as anticipated volume dictates. In the vehicle holding area, there is a site for a food and beverage kiosk.

1 The Anacortes Terminal is scheduled for replacement within the next ten (10)
2 years. Currently, construction is planned to start during the 2007-2008
3 Biennium. The planning is in a preliminary stage and these dates represent
4 the earliest start dates for a complex project with significant regulatory and
5 environmental requirements. An expanded retail concession presence is
6 planned for the new facility.
7

8 During construction, the existing Terminal may close and there will be
9 significant disruptions. WSF currently anticipates the total closure of the
10 passenger terminal the winter of 2007/2008. WSF will make reasonable
11 efforts to keep concessions in operation during the construction period,
12 minimize negative business impacts on the selected Concessionaire when
13 reasonably possible, and provide comparable locations in the new facility
14 when construction is completed. In the event that WSF determines the
15 Concession Contract must be terminated to allow for the construction activity,
16 the Concessionaire will be reimbursed for the unamortized asset value of
17 agreed initial capital improvements (i.e., constructed or installed during first
18 Contract year), amortized on a straight-line basis over full Contract term.
19

20 **Current and Future Concession Facilities at the Anacortes Terminal**
21 **include:**
22

23 **Snack Bar**

- 24 • Approximately 540 square feet
 - 25 • Located in the Terminal building passenger waiting area
- 26

27 **Storage**

- 28 • Approximately 150 square feet
 - 29 • Suitable for dry storage only
- 30

31 For diagrams and drawings of the Concession Premises, please see RFP
32 Volume 3, Exhibits.
33
34
35

36 **3. OTHER TERMINALS**
37

38 An intent of this RFP is to allow proposers to look beyond the existing
39 facilities where the current Concessionaire has service offerings and explore
40 all WSF facilities to identify additional areas of opportunity. The following
41 are areas WSF has identified as having potential for new concession services:
42

43 The Bainbridge Island Ferry Terminal building is underutilized and offers
44 opportunity to serve both walk-on passengers and those customers waiting in
45 the vehicle holding area.
46

1 There are also opportunities for the Concessionaire to develop facilities at the
2 Clinton and Southworth Ferry Terminals.

3
4 The Kingston Terminal is a leased facility and the lease is currently being
5 negotiated. Until negotiations are completed, concession opportunities at this
6 terminal are unknown. Expecting a favorable resolution, WSF welcomes
7 proposers' concepts and ideas regarding the Kingston Terminal as an
8 unevaluated portion of the RFP.

9
10 Edmonds is partially funded, and Keystone and Mukilteo are fully funded for
11 new terminals to be built within the term of this Contract. Expanded
12 concession facilities are expected to be included at these locations.

13
14 At the current Edmonds Terminal, there is an espresso and coffee
15 concessionaire located at the front of the vehicle holding area. This
16 concession will continue at this location until August 1, 2004. Beginning
17 August 1, 2004, the proposer awarded the On-shore Food & Beverage
18 segment will have the exclusive right to provide espresso and coffee service at
19 the Edmonds Terminal.

20
21 Bremerton, Vashon Island, Orcas Island and Friday Harbor terminals and/or
22 vehicle holding areas have potential for development.

23
24 The Pt. Defiance, Tahlequah, and Fauntleroy Ferry Terminals do not currently
25 have identified space to add concession facilities but possibilities exist to sell
26 to customers waiting in vehicle holding areas if and when traffic volume
27 dictates.

28
29 At the Shaw Island Ferry Terminal, there is an independently operated general
30 store adjacent to the vehicle holding area. No additional concession service is
31 appropriate at the Shaw Island Ferry Terminal.

32
33 At the Sidney, B.C. Ferry Terminal, there is an existing concessionaire under
34 a separate contract with WSF. Concession activities include food, beverages
35 and gifts. No additional concession service is appropriate at the Sidney, B.C.
36 Terminal.

37
38 There is an existing concession facility at the Lopez Island Ferry Terminal.
39 The concession facility is owned by a third party but is located on WSF
40 property leased to a local operator. Concession activities include snack food
41 and beverages. No additional concession service is appropriate at the Lopez
42 Island Terminal.

43
44 Except as provided herein, there are varying opportunities to provide services
45 in vehicle holding areas at all ferry terminals. Seattle, Edmonds, Bainbridge
46 Island, Anacortes, Mukilteo as well as others have some history of vendors

1 selling to waiting passengers. This is an opportunity that might be achieved
2 through the use of local subcontractors. WSF will grant the right for the
3 Concessionaire to sell in vehicle holding areas, subject to development of
4 specific plans agreed to by WSF and the Concessionaire conforming to local
5 laws, rules and regulations.
6

7 These additional terminal locations are being offered to all on-shore
8 concession segments. To the extent different segment Concessionaires are
9 interested in the same site or propose conflicting concepts, WSF will select
10 the proposal that is the most advantageous to WSF, pursuant to RFP Part 5,
11 Proposal Evaluation.
12 .
13

14 **D. USE OF PREMISES**

15 **Colman Dock**

16 **Passenger Deck**

17 The existing and planned concession premises on the Colman Dock passenger deck
18 (upper deck) will be split into approximately six (6) separate concepts, each with a
19 separate identity. Proposers may select any food and beverage concept that they
20 believe are appropriate to maximize service to the commuters, tourists and other WSF
21 customers who use this Terminal. Suggested uses include:
22

- 23 • Coffee or espresso bar, deli, ice cream bar, beer, wine, soda fountain, juice
24 bar, pretzels, hot dogs, Mexican food, Asian food, pizza, or any other use
25 appropriate for quick serve and/or take out. Coffee, beer and wine should be
26 Northwest brands.
27

28 **Vehicle Holding Areas**

29 There is space for approximately six (6) kiosks or carts in the vehicle holding areas
30 (lower deck). The North kiosks will have public access. Proposers may select any
31 food and beverage concepts, which they believe are appropriate to maximize service
32 to WSF customers and pedestrians. Suggested uses include:
33

- 34 • Coffee or espresso (Northwest branded), ice cream, juice and/or soft drinks,
35 pretzels, hot dogs, or any other use which is supported by a primary concept
36 located on the passenger deck.
37

38 **Anacortes**

39 **Passenger Terminal**

40 The Anacortes Terminal food and beverage area is limited in size. Proposers may
41 select food and beverage concepts that they believe are appropriate to maximize
42 service to the commuting island resident, tourists, and other WSF customers using
43 this Terminal. Suggested uses include:
44

- Coffee or espresso bar, deli, beer & wine, hot dogs, Mexican food, Asian food, pizza, or any other use appropriate for quick serve and/or take out. Coffee, beer and wine should be Northwest brands.

Vehicle Holding Areas

The vehicle holding areas at the Anacortes Ferry Terminal have capacity for 560 vehicles. There is space for a kiosk next to the rest rooms and the area is amenable to mobile carts as well. Proposers may select any food and beverage concepts that they believe are appropriate to maximize service to WSF customers who are waiting with their vehicles. Suggested uses include:

- Coffee or espresso cart (Northwest brands), ice cream cart, juice and/or soft drink cart, pretzel cart, hot dog cart, or any other use, which is appropriate.

E. CAPITAL REQUIREMENTS

Except for the Colman Dock capital improvement contribution described below, the Concessionaire will be responsible for the construction of all capital improvements, furniture and fixtures necessary to bring all concession space and facilities into a fully operable condition.

Design and finish materials for all capital improvements must be approved by WSF.

All facilities must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.

Colman Dock

New facilities at Colman Dock will require a complete build-out. Operator's space will be provided with minimum "Vanilla Shell" conditions, which includes frame demising walls, concrete slab flooring, unfinished ceiling, and utilities to the perimeter of the space or a designated distribution point.

All capital improvements at this facility must meet or exceed a minimum development cost of \$150.00 per square foot. WSF will contribute a capital improvement allowance of \$50.00 per square foot towards capital improvements in the Colman Dock passenger / upper level (approximately 3,360 s.f. x \$50.00 = \$168,000). The Concessionaire will pay all remaining improvement costs. WSF will pay its capital improvement allowance directly to the Concessionaire, as a budgeted item (i.e., not as a Concession Fee credit or deduction from Concession Fees).

There will not be a capital improvement allowance for construction of kiosks or carts in the vehicle holding areas. Kiosk locations will be sheltered and WSF will provide electrical power and lighting.

1
2 **Anacortes**
3

4 The Concessionaire will be responsible for the construction of all capital
5 improvements necessary to bring all concession facilities and space into a fully
6 operable condition.
7

8 Design and finish materials for all capital improvements must be agreed to by WSF.
9

10
11 **F. CONCESSION FEE**
12

13 The minimum monthly Concession Fee for On-shore Food & Beverage shall be nine
14 percent (9%) of gross sales, excluding sales tax. Effective at the beginning of year
15 three of the Contract Term, the minimum monthly Concession Fee shall be the greater
16 of nine percent (9%) of gross sales, excluding sales tax, or eighty percent (80%) of
17 the average monthly Concession Fees of the two (2) previous years. Proposers may
18 offer a higher percentage of gross sales, to be considered during the proposal
19 evaluation process.
20

21 For concessions at Colman Dock or other Terminals that require facility construction,
22 the Concession Fee will begin on the scheduled date for commencement of the
23 concession operations, as agreed to in advance by WSF and the Concessionaire.
24

25 For details of the Concession Fee terms, please see RFP Part 7, Proposal
26 Requirements.
27

28
29 **G. CONTRACT TERM**
30

31 The Concession Contract term shall be for a period of approximately ten years,
32 commencing on January 1, 2004 and expiring on January 3, 2014.
33
34

35 **H. CONTRACT SECURITY**
36

37 Selected proposers will be required to provide Contract Security in the form of an
38 Irrevocable Letter of Credit, or a Performance Bond at the time of Contract execution.
39 The required Contract Security will be an amount approximately equal to 100% of the
40 projected Concession Fee for the first three (3) months of operation.
41

1
2 **I. OPERATIONAL REQUIREMENTS**
3

- 4 1. Proposers should propose concession operating hours that maximize service to
5 WSF customers within a sound, financially viable service plan. On a
6 terminal-by terminal basis, such concession operating hours may be less than
7 the full terminal operating hours, if deemed necessary to make the concession
8 service financially viable. The WSF operating schedules, by season, are
9 posted on the WSF public web site and are provided in RFP Volume 3,
10 Exhibits.
11
12 2. The Concessionaire will be required to install its own cash register system
13 equipped to accept credit and debit card payments.
14
15 3. The Concessionaire is responsible for concession and dining area equipment
16 maintenance. On-going maintenance and maintenance contracts will be the
17 responsibility of the Concessionaire.
18
19 4. All modifications to any existing equipment, facility repairs, and capital
20 improvements must be approved and scheduled by WSF to coincide with ferry
21 schedules and terminal preservation projects.
22
23 5. Food and beverage products must be first quality and meet all Health
24 Department regulations. WSF anticipates employing a mystery shopper
25 program to help monitor the quality of products and services.
26

Segment 3 – NEWS, BOOKS & CONVENIENCE

A. BACKGROUND

WSF owns or leases twenty (20) terminals serving nine (9) groups of route segments. Each group of route segments has unique characteristics for terminal size and layout, concession facilities, vessel class assignments, commuter and tourist traffic, commercial traffic, seasonality, and overall ridership. It is suggested that proposers consider News, Books, & Convenience (NBC) concepts based on these considerations. On-shore retail services can and should be tailored to the terminal, route, and ridership.

While WSF is planning a guided tour of some vessels and terminal concession operations, WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. However, please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexo Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF vessel. WSF also asks that you contact WSF Business Development Manager, Brian Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps to alert their co-workers as to your presence and in turn make your visit less intrusive and probably more productive.

RFP Volume 3, Exhibits, contains information on concession revenue by terminal and vessel, and passenger volumes by route. The data should aid in developing a planned scale of operations.

B. GENERAL REQUIREMENTS

The General Requirements for the News, Books & Convenience (NBC) Concession Contract include those contained in the General Service Requirements for all service segments plus:

1. Right to operate NBC Stores at WSF's Colman Dock and Anacortes Ferry Terminals.
2. Right to develop and operate new NBC concepts and facilities at other WSF terminals subject to agreement by WSF.
3. Right to develop and operate NBC concepts and services within vehicle holding areas and waiting lines at WSF terminals subject to agreement by WSF.

4. Right to develop sub-contract relationships with local and seasonal businesses to assist in offering NBC concepts and services subject to agreement by WSF.
5. Concessionaire is encouraged to develop NBC offerings that provide a balance of local and national brands, and featuring local businesses, brands and products whenever possible.
6. Concessionaire is encouraged to engage, sub-contract, franchise, or license to/from other businesses to provide a variety of NBC services, concepts and local involvement under its Contract.
7. Concessionaire must accept credit and debit card transactions when appropriate.
8. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor staffing levels to meet varying needs and hours of service.
9. All facilities must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.

C. DESCRIPTION OF PREMISES

1. COLMAN DOCK

The Seattle Ferry Terminal at Colman Dock is located on the central Seattle waterfront at Pier 50 and Pier 52. It services the Bainbridge Island and Bremerton vehicle ferries and the Vashon Island passenger-only ferries. In 2002 approximately 9,600,000 passengers used this Terminal.

Vashon Island passenger-only ferry service is funded to operate through June 2005. The future of passenger-only service between Vashon Island and Seattle is unknown.

Kitsap Transit is proposing a passenger-only service to operate from Bremerton, Kingston, and Southworth to Seattle. The Kitsap Transit website is a source for additional information. The service requires Kitsap County voter approval of a supporting tax package in November 2003. If the service begins operation it may have an impact on WSF ridership to and from these locations.

WSF is studying the feasibility of routing some Southworth and/or Vashon ferry service to Colman Dock rather than the Fauntleroy Ferry Terminal. The timing for completion of the study and whether any change will be implemented is unknown.

1
2 There is an existing terminal building at Colman Dock, which currently
3 houses offices and minimal concession facilities including a 500 square foot
4 coffee and espresso bar on the passenger deck level (Starbuck's) and a fast
5 food facility at street level (McDonald's).
6

7 The terminal building at Colman Dock is scheduled for a renovation in 2004
8 that will include a significant retail expansion. This renovation will also
9 include the addition of kiosks or carts at the vehicle queuing areas. The
10 selected Concessionaire will be expected to develop NBC concessions at
11 Colman Dock as shown on the development plans included in Volume 3,
12 Exhibits.
13

14 The Colman Dock facility is scheduled for replacement within the next ten
15 (10) years. Currently, construction is planned to start during the 2007-2009
16 Biennium with completion scheduled during the 2011-2013 Biennium. The
17 planning is in a preliminary stage and these dates represent the earliest start
18 and completion dates for a complex project with significant regulatory and
19 environmental requirements.
20

21 During construction, the Terminal will not close but there may be disruptions.
22 WSF will make reasonable efforts to keep concessions in operation during the
23 construction period, minimize negative business impacts on the selected
24 Concessionaire when reasonably possible, and provide comparable locations
25 in the new facility when construction is completed. In the event that WSF
26 determines the Concession Contract must be terminated to allow for the
27 construction activity, the Concessionaire will be reimbursed for the
28 unamortized asset value of agreed initial capital improvements (i.e.,
29 constructed or installed during the first Contract year), amortized on a
30 straight-line basis over full Contract term.
31

32 The Alaska Way Viaduct, an elevated highway, borders the Terminal to the
33 east. The Viaduct is slated for replacement to begin within the period of this
34 contract. This is a very complex project in the early stages of planning and
35 with many uncertainties. Colman Dock, Pier 52, will remain in operation
36 throughout any construction period but the surrounding area could be subject
37 to construction zone conditions.
38

39 **Future News, Books, and Convenience store at Colman Dock**

- 40 • Approximately 2,600 square feet
 - 41 • Located on the passenger deck (upper) level
- 42

43 **Storage**

- 44 • 300 square feet
 - 45 • Located on the vehicle deck level
- 46

1 **Other**

- 2 • No on-dock parking is available
3 • No on-site office space is available
4

5 For diagrams and drawings of the Concession Premises, please see RFP
6 Volume 3, Exhibits.
7
8

9 **2. ANACORTES**

10
11 The Anacortes Ferry Terminal is located north of Seattle in Island County.
12 The Terminal services the ferry routes to Lopez Island, Orcas Island, Shaw
13 Island, Friday Harbor and Sidney B.C. The Anacortes Terminal includes a
14 snack bar and gift shop that operate seasonally during the summer tourist
15 season, and on weekends as anticipated volume dictates. In the vehicle
16 holding area, there is a site for a food and beverage kiosk.
17

18 The Anacortes Terminal is scheduled for replacement within the next ten (10)
19 years. Currently, construction is planned to start during the 2007-2008
20 Biennium. The planning is in a preliminary stage and these dates represent
21 the earliest start dates for a complex project with significant regulatory and
22 environmental requirements. An expanded retail concession presence is
23 planned for the new facility.
24

25 During construction, the existing Terminal may close and there will be
26 significant disruptions. WSF currently anticipates the total closure of the
27 existing terminal over the winter of 2007/2008. WSF will make reasonable
28 efforts to keep concessions in operation during the construction period,
29 minimize negative business impacts on the selected Concessionaire when
30 reasonably possible, and provide comparable locations in the new facility
31 when construction is completed. In the event that WSF determines the
32 Concession Contract must be terminated to allow for the construction activity,
33 the Concessionaire will be reimbursed for the unamortized asset value of
34 agreed initial capital improvements (i.e., constructed or installed during the
35 first Contract year), amortized on a straight-line basis over full Contract term.
36

37 **Existing News and Gift shop**

- 38 • Approximately 132 square feet
39 • Located in the Terminal building
40

41 **Storage**

- 42 • Approximately 120 square feet
43 • Located in adjacent building
44

For diagrams and drawings of the Concession Premises, please see RFP Volume 3, Exhibits.

3. OTHER TERMINALS

An intent of this RFP is to allow proposers to look beyond the existing facilities where the current Concessionaire has service offerings and explore all WSF facilities to identify additional areas of opportunity. The following are areas WSF has identified as having potential for new concession services:

The Bainbridge Island Ferry Terminal building is underutilized and offers opportunity to serve both walk-on passengers and those customers waiting in the vehicle holding area.

There are also opportunities for the Concessionaire to develop facilities at the Clinton and Southworth Ferry Terminals.

The Kingston Terminal is a leased facility and the lease is currently being negotiated. Until negotiations are completed, concession opportunities at this Terminal are unknown. Expecting a favorable resolution, WSF welcomes proposers' concepts and ideas for this Terminal as an unevaluated portion of the RFP.

Edmonds is partially funded, and Keystone and Mukilteo are fully funded for new terminals to be built within the term of this Contract. Expanded concession facilities are expected to be included at these locations.

Bremerton, Vashon Island, Orcas Island, Lopez Island and Friday Harbor terminals and/or vehicle holding areas have potential for development.

The Pt. Defiance, Tahlequah, and Fauntleroy Ferry Terminals do not currently have identified space to add concession facilities but possibilities exist to sell to customers waiting in vehicle holding areas if and when traffic volume dictates.

At the Shaw Island Ferry Terminal, there is an independently operated general store adjacent to the vehicle holding area. No additional concession service is appropriate at the Shaw Island Ferry Terminal.

At the Sidney, B.C. Ferry Terminal, there is an existing concessionaire under a separate contract with WSF. Concession activities include food, beverages and gifts. No additional concession service is appropriate at the Sidney, B.C. Terminal.

1 Except as provided herein, there are varying opportunities to provide services
2 in vehicle holding areas at all ferry terminals. Seattle, Edmonds, Bainbridge
3 Island, Anacortes, Mukilteo as well as others have some history of vendors
4 selling to waiting passengers. This is an opportunity that might be achieved
5 through the use of local subcontractors. WSF will grant the right for the
6 Concessionaire to sell in vehicle holding areas, subject to development of
7 specific plans agreed to by WSF and the Concessionaire conforming to local
8 laws, rules and regulations.
9

10 These additional terminal locations are being offered to all on-shore
11 concession segments. To the extent different segment Concessionaires are
12 interested in the same site or propose conflicting concepts, WSF will select
13 the proposal that is the most advantageous to WSF, pursuant to RFP Part 5,
14 Proposal Evaluation.
15

16 17 **D. USE OF PREMISES**

18 19 **Colman Dock News, Books, and Convenience (NBC) Store**

20
21 The NBC Store concept includes but is not limited to the following:
22

- 23 • A variety of local and national newspapers; a wide selection of magazines and
24 periodicals; a large selection of hardback and paperback novels including the
25 top twenty (20) national best sellers; an assortment of other types of books in
26 popular reading categories such as travel and cooking; a selection of sundry
27 items appealing to both commuter and tourist travelers; packaged snacks and
28 candies; bottled water and other bottled drinks; a selection of popular over the
29 counter medicines; a selection of gourmet take-out items suitable for
30 breakfast, lunch, and snacks; hot coffee (espresso drinks are excluded), and a
31 selection of souvenir items including WSF branded shirts, hats, mugs, and
32 other items appealing to tourists.
33
34

35 **Anacortes News, Books, and Convenience (NBC) Store**

36
37 The NBC Store concept includes but is not limited to the following:
38

- 39 • A variety of newspapers, magazines and periodicals; a selection of hardback
40 and paperback books including the top twenty (20) national best sellers and
41 popular reading categories; a selection of sundry items appealing to both
42 commuter and tourist travelers; packaged snacks and candies; hot coffee
43 (espresso drinks are excluded), bottled water and other bottled drinks; a
44 selection of popular over the counter medicines; a selection of souvenir items
45 including WSF branded shirts, hats, mugs, and other items appealing to
46 tourists.
47

1 **E. CAPITAL REQUIREMENTS**

2
3 Except for the Colman Dock capital improvement contribution described below, the
4 Concessionaire will be responsible for the construction of all capital improvements
5 and furniture and fixtures necessary to bring concession facilities and space into a
6 fully operable condition.

7
8 Design and finish materials for all capital improvements must be agreed to by WSF.

9
10 All facilities must be designed to meet all local, state, and federal building code
11 requirements including the Americans with Disabilities Act standards.

12
13 **Colman Dock**

14 New facilities at Colman Dock will require a complete build-out. Operator's space
15 will be provided with minimum "Vanilla Shell" conditions, which includes frame
16 demising walls, concrete slab flooring, unfinished ceiling, and utilities to the
17 perimeter of the space or a designated distribution point.

18
19 All capital improvements at this facility must meet or exceed a minimum
20 development cost of \$150.00 per square foot. WSF will contribute a capital
21 improvement allowance of \$50.00 per square foot towards capital improvements in
22 the Colman Dock passenger / upper level (approximately 2,580 s.f. x \$50.00 =
23 \$129,000). The Concessionaire will pay all remaining improvement costs. WSF will
24 pay its capital improvement allowance directly to the Concessionaire, as a budgeted
25 item (i.e., not as a Concession Fee credit or deduction from Concession Fees).

26
27 **Anacortes**

28 The Concessionaire will be responsible for the construction of all capital
29 improvements and furniture and fixtures necessary to bring the concession facilities
30 and space into a fully operable condition.

31
32 Design and finish materials for all capital improvements must be agreed to by WSF.

33
34 All facilities must be designed to meet all local, state, and federal building code
35 requirements, including the Americans with Disabilities Act standards.

36
37
38 **F. CONCESSION FEE**

39
40 The minimum monthly Concession Fee for the News, Books and Convenience Stores
41 shall be nine percent (9%) of gross sales, excluding sales tax. Effective at the
42 beginning of year three of the Contract Term, the minimum monthly Concession Fee
43 shall be the greater of nine percent (9%) of gross sales, excluding sales tax, or eighty
44 percent (80%) of the average monthly Concession Fees of the two (2) previous years.
45 Proposers may offer a higher percentage of gross sales, to be considered during the
46 proposal evaluation process.

For concessions at Colman Dock or other Terminals that require facility construction, the Concession Fee will begin on the date the concession begins to operate.

For details on the Concession Fee terms, please see RFP Part 7, Proposal Requirements.

G. CONTRACT TERM

The Concession Contract term shall be for a period of approximately ten years, commencing on January 1, 2004 and expiring on January 3, 2014.

H. CONTRACT SECURITY

Selected proposers will be required to provide Contract Security in the form of an Irrevocable Letter of Credit or a Performance Bond at the time of Contract execution. The required Contract Security will be an amount approximately equal to 100% of the projected Concession Fees for the first three (3) months of operation.

I. OPERATIONAL REQUIREMENTS

1. Proposers should propose concession operating hours that maximize service to WSF customers within a sound, financially viable service plan. On a route-by-route basis, such concession operating hours may be less than the full terminal operating hours, if deemed necessary to make the concession service financially viable. The WSF operating schedules, by season, are posted on the WSF public web site and are provided in RFP Volume 3, Exhibits.
2. The Concessionaire will be required to install its own cash register system equipped to accept credit and debit card payments where appropriate.
3. The Concessionaire is responsible for concession space and equipment maintenance. On-going maintenance and maintenance contracts will be the responsibility of the Concessionaire.
4. All modifications to any existing equipment, facility repairs, and capital improvements must be approved and scheduled by WSF to coincide with ferry schedules and terminal preservation projects.
5. All products must be first quality and food and beverage products must meet all Health Department regulations. WSF anticipates employing a mystery shopper program to help monitor the quality of products and services

Segment 4 – FAST FOOD

A. BACKGROUND

WSF owns or leases twenty (20) terminals serving nine (9) groups of route segments. Each group of route segments has unique characteristics for terminal size and layout, concession facilities, vessel class assignments, commuter and tourist traffic, commercial traffic, seasonality, and overall ridership. It is suggested that proposers consider Fast Food concepts based on these considerations. On-shore Fast Food services can and should be tailored to the terminal, route, and ridership.

While WSF is planning a guided tour of some vessels and terminal concession operations, WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. However, please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexo Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF vessel. WSF also asks that you contact WSF Business Development Manager, Brian Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps to alert their co-workers as to your presence and in turn make your visit less intrusive and probably more productive.

RFP Volume 3, Exhibits contains information on concession revenue by terminal and vessel, and passenger volumes by route. The data should aid in developing a planned scale of operations.

B. GENERAL REQUIREMENTS

The General Requirements for the Fast Food Concession Contract include those contained in the General Scope of Services Requirements for all service segments plus:

1. Right to operate a Fast Food Restaurant at the current site of the McDonald's Restaurant on the lower level of WSF's Seattle Ferry Terminal at Colman Dock – Pier 52.
2. Right to develop and operate new Fast Food concepts and facilities at other WSF terminals subject to space availability and agreement by WSF.
3. Right to develop sub-contract relationships with local and seasonal businesses to assist in offering Fast Food concepts and services subject to agreement by WSF.

4. Concessionaire is encouraged to develop Fast Food offerings that provide a balance of local and national brands, and featuring local businesses, brands and products whenever possible.
5. Concessionaire is encouraged to engage, sub-contract, franchise, or license to/from other businesses to provide a variety of Fast Food services, concepts and local involvement under its Contract.
6. Concessionaire must accept credit and debit card transactions.
7. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor staffing levels to meet varying needs and hours of service.
8. All facilities must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.

C. DESCRIPTION OF PREMISES

1. COLMAN DOCK

The Seattle Ferry Terminal at Colman Dock is located on the central Seattle waterfront at Pier 50 and Pier 52. It services the Bainbridge Island and Bremerton vehicle ferries and the Vashon Island passenger-only ferries. In 2002 approximately 9,600,000 passengers used this Terminal.

Vashon Island passenger-only ferry service is funded to operate through June 2005. The future of passenger-only service between Vashon Island and Seattle is unknown.

Kitsap Transit is proposing a passenger-only service to operate from Bremerton, Kingston, and Southworth to Seattle. The Kitsap Transit website is a source for additional information. The service requires Kitsap County voter approval of a supporting tax package in November 2003. If the service begins operation it may have an impact on WSF ridership to and from these locations.

WSF is studying the feasibility of routing some Southworth and/or Vashon ferry service to Colman Dock rather than the Fauntleroy Ferry Terminal. The timing for completion of the study and whether any change will be implemented is unknown.

There is an existing terminal building at Colman Dock, which currently houses offices and minimal concession facilities including a 500 square foot

1 coffee and espresso bar on the passenger deck level (Starbuck's) and a fast
2 food facility at street level (McDonald's).

3
4 The terminal building at Colman Dock is scheduled for a renovation in 2004
5 that will include a significant retail expansion. This renovation will also
6 include the addition of kiosks or carts at the vehicle queuing areas. The
7 selected Concessionaire will be expected to develop Fast Food concessions
8 within the existing Fast Food space as shown on the terminal plans included in
9 RFP Volume 3, Exhibits.

10
11 The Colman Dock facility is scheduled for replacement within the next ten
12 (10) years. Currently, construction is planned to start during the 2007-2009
13 Biennium with completion scheduled during the 2011-2013 Biennium. The
14 planning is in a preliminary stage and these dates represent the earliest start
15 and completion dates for a complex project with significant regulatory and
16 environmental requirements.

17
18 During construction, the Terminal will not close but there may be disruptions.
19 WSF will make reasonable efforts to keep concessions in operation during the
20 construction period, minimize negative business impacts on the selected
21 Concessionaire when reasonably possible, and provide comparable locations
22 in the new facility when construction is completed. In the event that WSF
23 determines the Concession Contract must be terminated to allow for the
24 construction activity, the Concessionaire will be reimbursed for the
25 unamortized asset value of agreed initial capital improvements (i.e.,
26 constructed or installed during the first Contract year), amortized on a
27 straight-line basis over full Contract term.

28
29 The Alaska Way Viaduct, an elevated highway, borders the Terminal to the
30 east. The Viaduct is slated for replacement to begin within the period of this
31 contract. This is a very complex project in the early stages of planning and
32 with many uncertainties. Colman Dock, Pier 52, will remain in operation
33 throughout any construction period but the surrounding area could be subject
34 to construction zone conditions.

35 36 **Existing Fast Food Restaurant at Colman Dock**

- 37 • Fronts on Alaskan Way at the foot of Marion Street
- 38 • Accessible from both the street and vehicle holding areas
- 39 • Approximately 5,700 square feet
- 40 • 4,000 square feet interior restaurant space
- 41 • 1,700 square feet outdoor patio space

42 43 **Other**

- 44 • No on-dock parking is available
 - 45 • No on-site office space is available
- 46

For diagrams and drawings of the Concession Premises, please see RFP Volume 3, Exhibits.

2. OTHER TERMINALS

An intent of this RFP is to allow proposers to look beyond the existing facilities where the current Concessionaire has service offerings and explore all WSF facilities to identify additional areas of opportunity. The following are areas WSF has identified as having potential for new concession services:

The Bainbridge Island Ferry Terminal building is underutilized and offers opportunity to serve both walk-on passengers and those customers waiting in the vehicle holding area.

There are also opportunities for the Concessionaire to develop facilities at the Clinton and Southworth Ferry Terminals.

The Kingston Terminal is a leased facility and the lease is currently being negotiated. Until negotiations are completed, concession opportunities at this Terminal are unknown. Expecting a favorable resolution, WSF welcomes proposers' concepts and ideas for this Terminal as an unevaluated portion of the RFP.

Edmonds is partially funded, and Anacortes, Keystone and Mukilteo are fully funded for new terminals to be built within the term of this Contract. Expanded concession facilities are expected to be included at these locations.

Bremerton, Vashon Island, Orcas Island and Friday Harbor terminals and/or vehicle holding areas have potential for development.

The Pt. Defiance, Tahlequah, and Fauntleroy Ferry Terminals do not currently have identified space to add concession facilities but possibilities exist to sell to customers waiting in vehicle holding areas if and when traffic volume dictates.

At the Shaw Island Ferry Terminal, there is an independently operated general store adjacent to the vehicle holding area. No additional concession service is appropriate at the Shaw Island Ferry Terminal.

At the Sidney, B.C. Ferry Terminal, there is an existing concessionaire under a separate contract with WSF. Concession activities include food, beverages and gifts. No additional concession service is appropriate at the Sidney, B.C. Terminal.

1 There is an existing concession facility at the Lopez Island Ferry Terminal.
2 The concession facility is owned by a third party but is located on WSF
3 property leased to a local operator. Concession activities include snack food
4 and beverages. No additional concession service is appropriate at the Lopez
5 Island Terminal.
6

7 Except as provided herein, there are varying opportunities to provide services
8 in vehicle holding areas at all ferry terminals. Seattle, Edmonds, Bainbridge
9 Island, Anacortes, Mukilteo as well as others have some history of vendors
10 selling to waiting passengers. This is an opportunity that might be achieved
11 through the use of local subcontractors. WSF will grant the right for the
12 Concessionaire to sell in vehicle holding areas, subject to development of
13 specific plans agreed to by WSF and the Concessionaire conforming to local
14 laws, rules and regulations.
15

16 These additional terminal locations are being offered to all on-shore
17 concession segments. To the extent different segment Concessionaires are
18 interested in the same site or propose conflicting concepts, WSF will select
19 the proposal that is the most advantageous to WSF, pursuant to RFP Part 5,
20 Proposal Evaluation.
21

22 23 **D. USE OF PREMISES**

24
25 The existing concession premises have been designated for fast food service, which
26 includes foods which can be prepared and served quickly and are suitable to eat on
27 the premises or for take out. Possible uses include but are not limited to:

- 28
29 • Quick serve hamburgers, seafood, chicken, pizza, Mexican food, Asian food,
30 breakfast items, sandwiches, salads and hot and cold beverages (excluding
31 espresso).
32

33 New Fast Food concession premises developed upon agreement with WSF shall be
34 used solely for purposes consistent with the Fast Food concept.
35

36 37 **E. CAPITAL REQUIREMENTS**

38
39 The Concessionaire will be responsible for the construction of all capital
40 improvements and furniture and fixtures necessary to bring the concession concept
41 and space into a fully operable condition.
42

43 Design and finish materials for all capital improvements must be agreed to by WSF.
44

45 All facilities must be designed to meet all local, state, and federal building code
46 requirements including the Americans with Disabilities Act standards.
47

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2 **F. CONCESSION FEE**
3

4 The minimum monthly Concession Fee for Fast Food shall be the greater of nine
5 percent (9%) of gross sales, excluding sales tax, or \$ 8,000. Effective at the
6 beginning of year three of the Contract Term, the minimum monthly Concession Fee
7 shall be the greater of nine percent (9%) of gross sales, excluding sales tax, or eighty
8 percent (80%) of the average monthly Concession Fees of the two (2) previous years.
9 Proposers may offer a higher percentage of gross sales, to be considered during the
10 proposal evaluation process.

11
12 For concessions at WSF Terminals that require facility construction, the Concession
13 Fee will begin on the date the concession begins to operate.

14
15 For details on the Concession Fee terms, please see RFP Part 7, Proposal
16 Requirements.
17

18
19 **G. CONTRACT TERM**
20

21 The Concession Contract term shall be for a period of approximately ten years,
22 commencing on January 1, 2004 and expiring on January 3, 2014.
23

24
25 **H. CONTRACT SECURITY**
26

27 Selected proposers will be required to provide Contract Security in the form of an
28 Irrevocable Letter of Credit or a Performance Bond at the time of Contract execution.
29 The required Contract Security will be in the amount of \$100,000.
30

31
32 **I. OPERATIONAL REQUIREMENTS**
33

- 34 1. Proposers should propose concession operating hours that maximize service to
35 WSF customers within a sound, financially viable service plan. On a route-
36 by-route basis, such concession operating hours may be less than the full
37 terminal operating hours, if deemed necessary to make the concession service
38 financially viable. The WSF operating schedules, by season, are posted on the
39 WSF public web site and are provided in RFP Volume 3, Exhibits.
40
41 2. The Concessionaire will be required to install its own cash register system
42 equipped to accept credit and debit card payments.
43
44 3. The Concessionaire is responsible for concession and dining area equipment
45 maintenance. On-going maintenance and maintenance contracts will be the
46 responsibility of the Concessionaire.

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4. All modifications to any existing equipment, facility repairs, and capital improvements must be approved and scheduled by WSF to coincide with ferry schedules and terminal preservation projects.
5. Food and beverage products must be first quality and meet all Health Department regulations. WSF anticipates employing a mystery shopper program to help monitor the quality of products and services.

Segment 5 - COLD BEVERAGE VENDING

A. BACKGROUND

WSF includes a variety of vessel designs / classes, route lengths and traffic flow. Terminal locations vary significantly in age, size, traffic flow and population density around the terminals.

The demand for Cold Beverage Vending services will change as a result of this RFP. At terminal locations, the change will occur through the operation of new or updated food, beverage and retail locations. On the vessels, the On-board Food, Beverage & Retail Concessionaire may operate on a more targeted schedule tailoring their hours and/or scale of operations to better fit the route, time-of-day and seasonality. This change could result in a significant increase in demand for vended cold beverage.

The relative change in the number of vending locations is uncertain. A known area for decrease will be at Colman Dock where there will be locations for some but not all of the current vending machines. Proposers are encouraged to submit concepts to enhance the WSF customer experience that also blend well with the other concession concepts included in this RFP.

While WSF is planning a guided tour of some vessels and terminal concession operations, WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. However, please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexo Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF vessel. WSF also asks that you contact WSF Business Development Manager, Brian Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps to alert their co-workers as to your presence and in turn make your visit less intrusive and probably more productive.

B. GENERAL REQUIREMENTS

The General Requirements for the Cold Beverage Vending Concession Contract are those contained in the General Scope of Services Requirements for all service segments plus:

1. Provide Cold Beverage Vending concepts and machines on the concession premises in accordance with the Concessionaire's proposal. Deviation from the proposal shall be permitted only with the express agreement of WSF.

2. Obtain agreement from WSF for proposed vending machines and placement prior to commencement of operations under this Contract.
3. WSF reserves the right to approve the design of the front panel on the vending machines. Front panels with a WSF logo and ferry scenes are a desired feature.
4. The right to develop sub-contract relationships with local and seasonal businesses to assist in offering Cold Beverage Vending concepts and services subject to agreement by WSF.
5. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor staffing levels to meet varying needs and hours of service.
6. All facilities and machine installations must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.
7. Concessionaire employees working on-board vessels are required to obtain a permit known as a "Z card". They are available through the local U.S. Coast Guard office.

C. DESCRIPTION OF PREMISES

1. Cold Beverage Vending machine space on twenty (23) vessels.
2. Cold Beverage Vending machine space at twelve (12) terminals.

A list of current vending machines by type and location is included in RFP Volume 3, Exhibits.

D. CAPITAL REQUIREMENTS

The Concessionaire is responsible for all costs relative to the acquisition, installation and maintenance of all Cold Beverage Vending concepts and equipment. Title to such property will remain with the Concessionaire. Any permanent improvements made to WSF terminals and vessels, as part of the Cold Beverage Vending service shall become WSF property at the termination or expiration of the Contract.

Engineering studies for equipment installation on vessels must be performed by WSF prior to vessel modification. Changes in on-board equipment installations are stringently controlled by WSF.

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2 **E. CONCESSION FEE**
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4 The minimum monthly Concession Fee for Cold Beverage Vending shall be the
5 greater of fifty percent (50%) of gross sales, excluding sales tax, or \$30,000.
6 Effective at the beginning of year three of the Contract Term, the minimum monthly
7 Concession Fee shall be the greater of fifty percent (50%) of gross sales, excluding
8 sales tax, or eighty percent (80%) of the average monthly Concession Fees of the two
9 (2) previous years. Proposers may offer a higher percentage of gross sales, to be
10 considered during the proposal evaluation process.
11

12 For details of the Concession Fee terms, please see RFP Part 7, Proposal
13 Requirements.
14

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16 **F. CONTRACT TERM**
17

18 The Concession Contract term shall be for a period of approximately ten years,
19 commencing on January 1, 2004 and expiring on January 3, 2014.
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22 **G. CONTRACT SECURITY**
23

24 Selected proposers will be required to provide Contract Security in the form of an
25 Irrevocable Letter of Credit or a Performance Bond at the time of Contract execution.
26 The required Contract Security will be an amount approximately equal to 100% of the
27 projected Concession Fees for the first three (3) months of operation.
28
29

30 **H. OPERATIONAL REQUIREMENTS**
31

- 32 1. The Concessionaire is responsible for concession equipment maintenance.
33 On-going maintenance and maintenance contracts will be the responsibility of
34 the Concessionaire.
35
36 2. All modifications to any existing equipment, facility repairs, and concession
37 improvements must be approved and scheduled by WSF to coincide with ferry
38 schedules and terminal preservation projects.
39
40 3. Beverage products and vending equipment must be first quality and meet all
41 Health Department regulations. Concessionaire shall service, clean, and keep
42 vending machines well stocked so as to maximize the customer's experience
43 and the Concessionaire's gross revenues. WSF anticipates employing a
44 mystery shopper program to help monitor the quality of products and services.
45

Segment 6 - HOT BEVERAGE AND SNACK VENDING

A. BACKGROUND

WSF includes a variety of vessel designs / classes, route lengths and traffic flow. Terminal locations vary significantly in age, size, traffic flow and population density around the terminals.

The demand for Hot Beverage and Snack Vending services will change as a result of this RFP. At terminal locations, the change will occur through the operation of new or updated food, beverage and retail locations. On the vessels, the On-board Food, Beverage & Retail Concessionaire may operate on a more targeted schedule tailoring its hours and/or scale of operations to better fit the route, time-of-day and seasonality. This change could result in a significant increase in demand for vended hot beverages and snacks.

The relative change in the number of vending locations is uncertain. A known area for decrease will be at Colman Dock where there will be locations for some but not all of the current vending machines. Proposers are encouraged to submit concepts to enhance the WSF customer experience that also blend well with the other concession concepts included in this RFP.

While WSF is planning a guided tour of some vessels and terminal concession operations, WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. However, please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexo Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF vessel. WSF also asks that you contact WSF Business Development Manager, Brian Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps to alert their co-workers as to your presence and in turn make your visit less intrusive and probably more productive.

B. GENERAL REQUIREMENTS

The General Requirements for the Hot Beverage and Snack Vending Concession Contract are those contained in the General Service Requirements for all service segments plus:

1. Provide Hot Beverage and Snack Vending concepts and machines on the concession premises in accordance with the Concessionaire's proposal. Deviation from the proposal shall be permitted only with the express agreement of WSF.

2. Obtain agreement from WSF for proposed vending machines and placement prior to commencement of operations under this Contract.
3. WSF reserves the right to approve the design of the front panel on the vending machines when applicable. Front panels with a WSF logo and ferry scenes are a desired feature.
4. Concessionaire is encouraged to develop snack food offerings that provide a balance of local and national brands, and featuring local businesses, brands and products whenever possible.
5. The right to develop sub-contract relationships with local and seasonal businesses to assist in offering Hot Beverage and Snack Vending concepts and services subject to agreement by WSF.
6. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor staffing levels to meet varying needs and hours of service.
7. All facilities and machine installations must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.
8. Concessionaire employees working on-board vessels are required to obtain a permit known as a "Z card". They are available through the local U.S. Coast Guard office.

C. DESCRIPTION OF PREMISES

1. Hot Beverage Vending machine space on fifteen (15) Vessels.
2. Hot Beverage Vending machine space at four (4) Terminals.
3. Snack Vending machine space on twenty-three (23) Vessels.
4. Snack Vending machine space at eight (8) Terminals.

A list of current vending machines by type and location is included in RFP Volume 3, Exhibits.

1
2 **D. CAPITAL REQUIREMENTS**
3

4 The Concessionaire is responsible for all costs relative to the acquisition, installation
5 and maintenance of all Hot Beverage and Snack Vending equipment. Title to such
6 property will remain with the Concessionaire. Any permanent improvements made to
7 WSF terminals and vessels as part of the Hot Beverage and Snack Vending service
8 shall become WSF property at the termination or expiration of the Contract.
9

10 Engineering studies for equipment installation on vessels must be performed by WSF
11 prior to vessel modification. Changes in on-board equipment installations are
12 stringently controlled by WSF.
13

14
15 **E. CONCESSION FEE**
16

17 The minimum monthly Concession Fee for Hot Beverage and Snack Vending shall be
18 the greater of thirty percent (30%) of gross sales, excluding sales tax, or \$5,000.
19 Effective at the beginning of year three of the Contract Term, the minimum monthly
20 Concession Fee shall be the greater of thirty percent (30%) of gross sales, excluding
21 sales tax, or eighty percent (80%) of the average monthly Concession Fees of the two
22 (2) previous years. Proposers may offer a higher percentage of gross sales, to be
23 considered during the proposal evaluation process.
24

25 For details of the Concession Fee terms, please see RFP Part 7, Proposal
26 Requirements.
27

28
29 **F. CONTRACT TERM**
30

31 The Concession Contract term shall be for a period of approximately ten years,
32 commencing on January 1, 2004 and expiring on January 3, 2014.
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35 **G. CONTRACT SECURITY**
36

37 Selected proposers will be required to provide Contract Security in the form of an
38 Irrevocable Letter of Credit or a Performance Bond at the time of Contract execution.
39 The required Contract Security will be an amount approximately equal to 100% of the
40 projected Concession Fees for the first three (3) months of operation.
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2 **H. OPERATIONAL REQUIREMENTS**
3

- 4 1. The Concessionaire is responsible for concession equipment maintenance.
5 On-going maintenance and maintenance contracts will be the responsibility of
6 the Concessionaire.
7
8 2. All modifications to any existing equipment, facility repairs, and concession
9 improvements must be approved and scheduled by WSF to coincide with ferry
10 schedules and terminal preservation projects.
11
12 3. Beverage and snack products and vending equipment must be first quality and
13 meet all Health Department regulations. Concessionaire shall service, clean,
14 and keep vending machines well stocked so as to maximize the customer's
15 experience and the Concessionaires gross revenues. WSF anticipates
16 employing a mystery shopper program to help monitor the quality of products
17 and services.
18

Segment 7 - GAME VENDING

A. BACKGROUND

WSF includes a variety of vessel designs / classes, route lengths and traffic flow. Terminal locations vary significantly in age, size, traffic flow and population density around the terminals.

The relative change in the number of vending locations is uncertain. A known area for decrease will be at Colman Dock where there will be locations for some but not all of the current vending and Game machines. Proposers are encouraged to submit concepts to enhance the WSF customer experience that also blend well with the other concession concepts included in this RFP.

While WSF is planning a guided tour of some vessels and terminal concession operations, WSF encourages proposers to visit all of the vessels and terminals on their own time and at their own expense. However, please do not attempt to access non-public areas, disrupt operations, or keep food service workers from performing their duties. Because of heightened security, WSF asks that you contact Sodexo Manager, Ali Kazemini at 206.682.5990, extension #13 prior to visiting a WSF vessel. WSF also asks that you contact WSF Business Development Manager, Brian Volkert, at 206.515.3631 before visiting a terminal. These managers will take steps to alert their co-workers as to your presence and in turn make your visit less intrusive and probably more productive.

B. GENERAL REQUIREMENTS

The General Requirements for the Game Vending Concession Contract are those contained in the General Service Requirements for all service segments plus:

1. Provide Game Vending concepts and machines on the concession premises in accordance with the Concessionaire's Proposal. Deviation from the proposal shall be permitted only with the express agreement of WSF.
2. Obtain agreement from WSF for proposed Game Vending machines and placement prior to commencement of operations under this Contract.
3. No video games which contain any depiction of violence or which could be viewed as offensive to a reasonable person may be placed at any WSF facility. All games must be suitable for all ages.

4. The right to develop sub-contract relationships with local and seasonal businesses to assist in offering Game Vending concepts and services subject to agreement by WSF.
5. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor staffing levels to meet varying needs and hours of service.
6. All facilities and machine installations must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.
7. Concessionaire employees working on-board vessels are required to obtain a permit known as a "Z card". They are available through the local U.S. Coast Guard office.

C. DESCRIPTION OF PREMISES

1. Game Vending machine space on fifteen (15) Vessels.
2. Game Vending machine space at five (5) terminals.

A list of current vending machines by type and location is included in RFP Volume 3, Exhibits.

D. CAPITAL REQUIREMENTS

The Concessionaire is responsible for all costs relative to the acquisition, installation and maintenance of all Game Vending equipment. Title to such property will remain with the Concessionaire. Any permanent improvements made to WSF terminals and vessels, as part of the Game Vending service shall become WSF property at the termination or expiration of the Contract.

Engineering studies for equipment installation on vessels must be performed by WSF prior to vessel modification. Changes in on-board equipment installations are stringently controlled by WSF.

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2 **E. CONCESSION FEE**
3

4 The minimum monthly Concession Fee for Game Vending shall be the greater of fifty
5 percent (50%) of gross sales, excluding sales tax, or \$8,000. Effective at the
6 beginning of year three of the Contract Term, the minimum monthly Concession Fee
7 shall be the greater of fifty percent (50%) of gross sales, excluding sales tax, or eighty
8 percent (80%) of the average monthly Concession Fees of the two (2) previous years.
9 Proposers may offer a higher percentage of gross sales, to be considered during the
10 proposal evaluation process.
11

12 For details of the Concession Fee terms, please see RFP Part 7, Proposal
13 Requirements.
14
15

16 **F. CONTRACT TERM**
17

18 The Concession Contract term shall be for a period of approximately ten years,
19 commencing on January 1, 2004 and expiring on January 3, 2014.
20
21

22 **G. CONTRACT SECURITY**
23

24 Selected proposers will be required to provide Contract Security in the form of an
25 Irrevocable Letter of Credit or a Performance Bond at the time of Contract execution.
26 The required Contract Security will be an amount approximately equal to 100% of the
27 projected Concession Fees for the first three (3) months of operation.
28
29

30 **H. OPERATIONAL REQUIREMENTS**
31

- 32 1. The Concessionaire is responsible for concession equipment maintenance.
33 On-going maintenance and maintenance contracts will be the responsibility of
34 the Concessionaire.
35
36 2. All modifications to any existing equipment, facility repairs, and concession
37 improvements must be approved and scheduled by WSF to coincide with ferry
38 schedules and terminal preservation projects.
39
40 3. Game Vending equipment must be first quality. Concessionaire shall service,
41 clean, and keep vending machines in good working order so as to maximize
42 the customer's experience and the Concessionaires gross revenues.
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(END)